



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Document Number AMS-FTPP-19-0064]

United States Warehouse Act Administrative Fees

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice.

SUMMARY: The Agricultural Marketing Service (AMS) is announcing the fees it will charge warehouse operators for voluntary services associated with the administration of the United States Warehouse Act. This action establishes the license action fees, service license fees, inspection fees, and annual user fees for warehouse services for fiscal year 2020, which begins October 1, 2019. AMS is increasing all these fees by approximately 10 percent to ensure fee levels are sufficient to cover the full cost of program administration.

DATES: [INSERT DATE ONE DAY AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Dan Schofer, AMS, U.S. Department of Agriculture, Room 2530-S, 1400 Independence Avenue SW, Washington, DC 20250; telephone (202) 260-2434, or e-mail dan.schofer@usda.gov.

SUPPLEMENTARY INFORMATION: The United States Warehouse Act (USWA), as amended (7 U.S.C. 241 *et seq.*), provides for the licensing of public warehouse operators in the business of storing agricultural products, examination of such federally licensed warehouses, and collection of fees to sustain the operation and administration of such efforts. Participation in USWA program is voluntary. Participants may choose to

obtain licensing under USWA to meet State or other industry requirements. Warehouse examinations provided by AMS examine the financial status of the operation, the integrity of the commodities stored in licensed facilities, as well as the facilities themselves.

This notice announces new fees for licensing and examining warehouses storing export food aid commodities, grain, nuts, sweeteners, wool, cotton, cottonseed and dry beans. The new fees will be effective for fiscal year 2020 (FY 2020), which begins October 1, 2019. AMS is raising the license action fees, service license fees, inspection fees, and annual user fees charged to licensed warehouses to assure recovery of operational costs projected for USWA activities in FY 2020. The FY 2020 fee adjustment reflects an approximately 10 percent increase over the current rates that have not been adjusted since 2006. AMS finds it necessary to increase fees to meet projected costs for administering the USWA program.

The regulations that effectuate the USWA are codified at 7 CFR part 735 mandate the collection of fees for costs of administering the USWA program and authorize annual rate changes, as necessary. USDA last amended the annual operational fee for warehouse operators effective January 1, 2006 (70 FR 71262; November 28, 2005). The 2006 operational fees were 5% higher than the previous rates. USDA most recently amended USWA licensing and inspection fees effective October 1, 1998 (63 FR 35186; June 29, 1998). Fee increases at that time were approximately 7.5 percent over the previous rates.

In November of 2018, the Secretary of Agriculture delegated administration of USWA programs to AMS (83 FR 61309; November 29, 2018). Previously, the

administration of the USWA was delegated to the Farm Service Agency (FSA). During 2019, AMS projected a funding deficit associated with current program staff levels. Fees must cover all expenses for USWA administrative services including the maintenance of a sufficient operating reserve. Thus, rates for USWA services for the 2020 fiscal year and beyond demonstrate a remedial action to correct the budgetary shortfall for administration of the program. USWA requires that AMS operate in an environment suitable to affect the needs of the program and mitigate any funding risks.

The fees reflect direct and indirect costs of providing services. Direct costs include the cost of salaries, employee benefits, and, if applicable, travel and some operating costs. Indirect or overhead costs include the cost of AMS administrative activities supporting the services provided to the industry. Program costs also include maintaining an operating reserve and, depending on the balance in the reserve, may provide for adding to or drawing down the reserve to assure an appropriate balance is maintained.

Delegation of Authority

The Secretary of Agriculture delegated to the Under Secretary for Marketing and Regulatory Programs (MRP) authority to “administer the U.S. Warehouse Act, as amended (7 U.S.C. 241-273)...” 7 CFR 2.22(a)(1)(xiv). The Under Secretary for MRP previously redelegated authority to administer the USWA to the Administrator of the Farm Service Agency. A rule published November 29, 2018 (83 FR 61309) transferred delegated authority to administer the USWA to the AMS Administrator. *See* 7 CFR 2.79(a)(21). The delegation to the Under Secretary of MRP related to administration of the U.S. Warehouse Act at 7 CFR 2.22(a)(1)(xiv) remain unchanged. The AMS

Administrator has authority to administer USWA programs, including publication of this Notice. A separate Rule addresses the delegation and authority of the AMS Administrator to revise the USWA Regulations.

New Rates

The schedule below sets out all the relevant fees for licensing and examination services and reflects the necessary increases.

United States Warehouse Act						
7 CFR Part 735 – Regulations for the United States Warehouse Act Subpart A – General Provisions § 735 Fees.						
FEE TABLE – UNITED STATES WAREHOUSE ACT (Effective 10/1/2019)						
EXPORT FOOD AID COMMODITIES		License Action Fee	Inspection Fee	Annual User Fees		
				Annual Fee	Locations	
		\$110	\$1,100 for 1 to 3 locations \$330 for each location over 3	\$1,650 for \$330 for each	1 to 3 location over 3	
GRAIN	License Action Fee	Service License Fee	Inspection Fee	Annual User Fees		
				Licensed Capacities (in bushels)	Annual fee for each warehouse location with a CCC storage agreement	Annual fee for each warehouse location without a CCC storage agreement
				1 - 150,000	\$ 170	\$ 340
				150,001 - 250,000	340	680
				250,001 - 500,000	500	1,000
				500,001 - 750,000	675	1,350
				750,001 - 1,000,000	840	1,680
				1,000,001 - 1,200,000	1,010	2,020
				1,200,001 - 1,500,000	1,180	2,360
				1,500,001 - 2,000,000	1,340	2,680
				2,000,001 - 2,500,000	1,515	3,030
				2,500,001 - 5,000,000	1,680	3,360
				5,000,001 - 7,500,000	1,855	3,710
				7,500,001 -10,000,000	2,025	4,050

				10,000,001+	*2,025	**4,050
				* Plus \$55 per million bushels above 10,000,000, or fraction thereof.		
				** Plus \$105 per million bushels above 10,000,000, or fraction thereof.		
NUTS	License Action Fee	Service License Fee	Inspection Fee	Annual User Fees		
				Licensed Capacities (in short tons)	Annual fee for each warehouse location with a CCC storage agreement	Annual fee for each warehouse location without a CCC storage agreement
				1 - 4,500	\$ 275	\$ 550
				4,501 - 7,500	450	900
				7,501 - 15,000	640	1,280
				15,001 - 22,500	820	1,640
				22,501 - 30,000	995	1,990
				30,001 - 36,000	1,165	2,330
				36,001 - 45,000	1,340	2,680
				45,001 - 60,000	1,515	3,030
				60,001 - 75,000	1,690	3,380
				75,001 - 150,000	1,860	3,720
				150,001 - 225,000	2,025	4,040
				225,001+	*2,195	**4,390
				* Plus \$12 per 100 short tons above 225,000 short tons, or fraction thereof.		
				** Plus \$21 per 100 short tons above 225,000 short tons, or fraction thereof.		
SWEETENERS	License Action Fee	Service License Fee	Inspection Fee	Annual User Fees		
				Annual Fee	Licensed Capacities	
	\$ 90	\$40	\$7.15 for each 5,000 gallons of liquid MIN \$ 190 MAX \$1900 or	\$7.15 for each \$750 MIN or \$7.15	5,000 gallons of liquid, or fraction thereof or 55,000 pounds of	

				\$7.15 for each 55,000 pounds of dry capacity MIN \$ 190 MAX \$1900	for each \$750 MIN	dry capacity, or fraction thereof	
WOOL	License Action Fee	Service License Fee	Inspection Fee	Annual User Fees			
				Annual Fee	Licensed Capacities		
	\$ 90	\$40	\$19 for each 100,000 pounds MIN \$ 190 MAX \$1900	\$19 for each \$750 MIN	100,000 pounds, or fraction thereof		
COTTON	License Action Fee	Service License Fee	Inspection Fee	Annual User Fees			
				Licensed Capacities (in bales)	Annual fee for each warehouse location with a CCC storage agreement	Annual fee for each warehouse location without a CCC storage agreement	
	\$ 90	\$40	\$95 for each 1,000 bales MIN \$ 190 MAX \$1900	1 - 20,000	\$ 645	\$ 1,290	
				20,001 - 40,000	850	1,700	
				40,001 - 60,000	1,035	2,070	
				60,001 - 80,000	1,230	2,460	
				80,001 - 100,000	1,620	3,240	
				100,001 - 120,000	1,935	3,870	
				120,001 - 140,000	2,260	4,520	
				140,001 - 160,000	2,585	5,170	
				160,001*	*2,585	**5,170	
				* Plus \$65 per 5,000 bale capacity above 160,000 bales, or fraction thereof.			
	** Plus \$130 per 5,000 bale capacity above 160,000 bales, or fraction thereof.						
			License Action Fee	Service License Fee	Inspection Fee	Annual User Fees	
						Annual Fee	Licensed Capacities

COTTONSEED		\$ 90	\$40	\$19 for each 1,000 short tons MIN \$ 190 MAX \$1900	\$19 for each \$750 MIN	1,000 short tons, or fraction thereof
DRY BEANS	License Action Fee	Service License Fee	Inspection Fee	Annual User Fees		
				Licensed Capacities (in hundredweight)	Annual Fee	
	\$ 90	\$40	\$19 for each 1,000 hundredweight MIN \$ 190 MAX \$1900	100 – 90,000	\$ 925	
				90,001 – 150,000	1,290	
				150,001 – 300,000	1,670	
				300,001 – 450,000	2,040	
				450,001 – 600,000	2,405	
				600,001 – 720,000	2,765	
				720,001 – 900,000	3,145	
				900,001 – 1,200,000	3,520	
				1,200,001 – 1,500,000	3,880	
				1,500,001 – 3,000,000	4,245	
				3,000,001+	*4,620	
				* Plus \$1.55 per 1,000 hundredweight above 3,000,000, or fraction thereof.		

Authority: 7 U.S.C. 241-256.

Dated: July 29, 2019

Greg Ibach, Under Secretary,

Marketing and Regulatory Programs.

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